

Guidance on Completing the American Recovery and Reinvestment Act (ARRA) Title I Application

May 2009

◆ **Introduction**

The American Recovery and Reinvestment Act of 2009 (ARRA) provides significant new funding for programs under Title I Part A of the Elementary and Secondary Education Act of 1965 (Title I). North Dakota's allocation is \$27,437,105. The purpose of these funds are to help improve teaching and learning for students most at risk of failing to meet state academic achievement standards. These funds create an unprecedented opportunity for educators to implement innovative strategies in Title I schools that improve education for at-risk students and close the achievement gaps while also stimulating the economy.

◆ **General Information**

○ *Grant Period*

The grant period for spending these ARRA funds is from the date the application is approved until September 30, 2010. Please note, school districts may not obligate funds until they receive their approval notice from the state Title I office.

○ *Electronic Application URL*

The North Dakota Department of Public Instruction has created a separate electronic application very similar to the existing consolidated application that districts will use to apply for the Title I ARRA funds. The application can be accessed at <https://secure.apps.state.nd.us/dpi/starsStimulus/Login.aspx>. District and school personnel will use the same user ID and password that you use for the regular consolidated application.

○ *Due Date*

On May 5, 2009, the Title I ARRA application will be available on the STARS. Districts wanting to spend the funds for activities in May and June will need to submit their application early. Districts completing the Title I ARRA application between May 5, 2009 through July 1, 2009 will be given priority in the approval process. After July 1, 2009, there are additional applications to review and approve, so the department cannot guarantee expeditious approval of applications submitted after that date.

○ *Board Approval*

The ARRA application must be printed out and approved at a school board meeting. The application cannot be submitted without a date indicating when it was approved by the school board.

◆ Approval Process

- Each district has been assigned a Title I program staff member to answer Title I questions on the application. This list is available at www.dpi.state.nd.us/title1/Legislative/stimulus/conappcontact.pdf on the Title I website.
- Your contact person's phone number and email address are included on the list. When you have your application completed, you can email or call your Title I contact person to review it for accuracy. Please **do not press the submit button until your Title I contact person has informed you that your application is approvable.**
- In the event that changes need to be made and you have NOT submitted the application, district personnel will be able to access the application and make the necessary changes. Not submitting until you are very confident there are no unresolved issues is a huge benefit to you.
- In the event that minor changes need to be made to your Title I ARRA budget and you have already pressed the submit button, we will need to have your application unsubmitted in order for you to go back in and make changes. This causes a further delay in the approval process.
- After your Title I contact person has reviewed your Title I ARRA application, it will be forwarded on to the Title I director for final approval.
- If the application is approvable, your Title I contact person will instruct you to submit it, and the grant award will be completed and signed.
- If changes need to be made, the application will be given back to the Title I contact person to work with the district to make the necessary changes for approval.
- Stephanie Gullickson, the department's grant manager, will email a grant award and final approval letter once the state Title I office has signed off on the grant award.

◆ Pre Award Approval

The state Title I office staff will make reviewing and approving the Title I ARRA applications a top priority. However, even as a priority, the process may take several weeks, especially for large districts and those who have schools identified for program improvement. To expedite this process, the state Title I office has created a form entitled "Title I – Pre Award Cost Approval Request". This form will allow districts to obtain approval on pre award costs. For example, if a district would like to order a program or materials for a summer school program or a summer professional development opportunity and needs to place the order now so that they are available when needed, this form can be used to request and obtain approval for the expenditure. Without this approval, districts are not allowed to order or obligate any Title I ARRA funds until they have received notification that their application has been approved.

This Title I – Pre Award Cost Approval Request form is currently available at www.dpi.state.nd.us/title1/Legislative/index.shtm on our Title I website. Districts may email, fax or mail the form to the state Title I office to be processed.

◆ **Sections to Complete**

The following sections are included on the Title I ARRA application. The starred (★) sections are to be completed by all districts. The other sections may vary depending on a district's or school's designation as a targeted assistance or schoolwide school, whether the school or district has been identified for improvement, has any non-public schools within their district, participates in a cooperative agreement, or provides services to special populations such as ELL, homeless or neglected and delinquent students.

- Allocations/Contact Information ★
- General Information ★
- Activities
 - ✓ District Administration
 - ✓ 5% Teacher Quality
 - ✓ Targeted Assistance
 - ✓ Schoolwide
 - ✓ Nonpublic
 - ✓ Cooperatives
 - ✓ School Choice/Supplemental Services
 - ✓ Corrective Action/Alternative Governance
 - ✓ Program Improvement Professional Development
- Nonpublic
- Targeted Assistance
- Schoolwide
- Title I ELL/Homeless/N&D
- Assurances ★
- Budget (The computer system generates the budget based on the activities submitted)

◆ **Allowable Uses**

The Title I ARRA funds will follow the same rules and regulations as the federal Title I funds. Targeted assistance schools must follow the Title I targeted assistance regulations and schoolwide programs must follow the schoolwide regulations. Listed below are links to the USDE regulations, the DPI guidance, and the allowable activities for these two program options:

- Guidance Applicable to Both Targeted Assistance and Schoolwide
 - ✓ www.ed.gov/policy/gen/leg/recovery/guidance/title-i.pdf
 - ✓ www.dpi.state.nd.us/title1/springwkshp/expenditures.pdf
- Targeted Assistance
 - ✓ www.dpi.state.nd.us/title1/targeted/index.shtm
 - ✓ www.dpi.state.nd.us/title1/guidance.shtm
- Schoolwide
 - ✓ www.dpi.state.nd.us/title1/schlwide/index.shtm
 - ✓ www.dpi.state.nd.us/title1/guidance.shtm

◆ **Recommended Uses**

The following three documents are available on the website and are designed to give school personnel ideas on how to spend the additional Title I funds that will become available under the ARRA.

- Evidence-Based Ideas for Using Additional Title I Funds Under the Economic Stimulus Bill www.dpi.state.nd.us/title1/Legislative/stimulus/additional_funds.pdf
- Ideas for Submitting an Application for Additional Program Improvement Funding www.dpi.state.nd.us/title1/progress/ideas.pdf. Even though the ideas on this handout were generated for schools in improvement using program improvement funds, many of the activities are also applicable for Title I programming. Some of the ideas are not allowable for targeted assistance schools, so you still need to make sure that all proposed activities are allowable in your particular program.
- Using ARRA Funds to Drive School Reform and Improvement www.ed.gov/policy/gen/leg/recovery/guidance/uses.doc. This USDE document was released on April 24, 2009.

◆ **Cost Codes**

It is extremely important that the budgets on your local accounting records match those approved and on file in the state Title I office. The state Title I offices uses the North Dakota School District Financial Accounting and Reporting Manual (NDSDFARM) to determine the activities that go under each object code. District and school personnel need to review the following chart to familiarize themselves with the activities listed in each object code.

Object/ ID Code	Example	Object/ ID Code	Example
110	Professional salaries – salaries paid to certified individuals; includes substitute teacher salary.	580	Travel – Expenditures for staff travel, including mileage, airline tickets, taxi fares, meals, lodging.
120	Non-professional salaries – salaries paid to other staff that are not certificated; i.e., paraprofessionals, secretaries, teachers’ aides, bus drivers.	600	Materials/Supplies – Expendable items that are consumed, worn out, or deteriorated in use; includes equipment that costs less than \$750, freight, books, school supplies.
200	Employee benefits – payments that are not part of gross salary made on behalf of employee; i.e., insurance, Social Security, retirement, unemployment compensation, Workers Compensation, annual leave, sick leave.	730	Equipment – Includes equipment that costs more than \$750 per item and computers, regardless of the cost.
300	Contracted services – purchased services for which the district has a contract on file. (includes speaker fees and professional development on site).	800	Dues, Memberships, Registration Fees, Subscription Fees, License Fees.
430	Maintenance – repair of equipment.	900	Indirect Costs.

◆ **Reservations**

Some districts are required to reserve funds off the top of their Title I stimulus application. These reservations include:

○ *Parent Involvement*

If a district's allocation is \$500,000 or more, then they are required to set aside 1% of their district's Title I allocation for parent involvement. If a district's regular Title I allocation and the ARRA Title I allocation together total \$500,000 or more, they must reserve 1% for parent involvement activities.

Only 5% of these funds may be used at the district level, 95% must be given to the participating schools.

- Districts must document on their application that they have reserved, at a minimum, the 1% for parent involvement and specifically outline how these funds will be spent.
- Districts that target need to identify on the individual building budgets and the district wide budget how the funds will be disseminated.
- In addition, districts need to track the parent involvement expenditures at the building level.
- Districts can distribute funds to buildings by need. Distribution of funds does not need to be equal between each building.
- According to federal requirements, all districts must document parent input and approval if they plan to use any parent involvement set aside funds on a parent involvement staff member.

○ *Program Improvement*

Schools and districts identified for Title I program improvement are required to set aside funds for a variety of purposes and should refer to the Program Improvement Guidance on the Title I website or contact the state Title I office.

○ *Homeless*

Districts that have identified homeless children and youth within their district and have reported them on the STARS must set aside Title I funds to help support those students.

◆ **Waivers**

The secretary of education has announced that the USDE will consider a request for a waiver with regards to the use of ARRA Title I funds for certain Title I regulations. The USDE is currently working on guidance that will outline how states and LEAs proceed to apply for a waiver. The state Title I office will post information on the waiver option at www.dpi.state.nd.us/title1/Legislative/index.shtm on our Title I Legislative website.

◆ **Teachers – Credentials**

All Title I teachers must have a current and valid Title I credential number.

In a schoolwide program, any teacher that has been assigned the position of providing extra supplemental assistance to students must hold a valid Title I credential.

◆ Title I Aides

A Title I program staffed entirely by aides/paraprofessionals is not permitted. A Title I program must include a “highly qualified” Title I teacher to provide services to eligible students.

If a Title I teacher is to hold the caseload for all Title I students and oversee all services provided in a Title I program, then a Title I-paid aide must be under the direct supervision of a Title I-paid teacher in a targeted assistance program. If the Title I teacher is responsible for the lessons and evaluation of Title I students, then there must be clear supervision and communication between the Title I teacher and Title I aide/paraprofessional.

The NCLB Act focuses on using “highly qualified” teachers, especially in the Title I program. Therefore, a quality Title I program is one that employs more FTE time using “high quality” teachers than FTE time using Title I aides/paraprofessionals.

All aides/paraprofessionals listed on the application who work in a program supported with Title I funds must have a Title I paraprofessional certificate number. In a targeted assistance program, working in a program supported with Title I funds refers to those aides/paraprofessionals paid with Title I funds. In a schoolwide program, working in a program supported with Title I funds refers to all instructional aides in the building.

For more information on aides/paraprofessionals, go to www.dpi.state.nd.us/title1/aides.shtm on the Title I website.

◆ Reporting Requirements

To prevent fraud and abuse, support the most effective uses of ARRA funds, and accurately measure and track results, recipients must publicly report on how these funds are used. Due to the unprecedented scope and importance of this investment, ARRA funds are subject to additional and more rigorous reporting requirements than normally applies to other grants.

There are two key reporting requirements that pertain to the ARRA funds:

- Each LEA receiving Title I ARRA funds must report a school-by-school listing of per-pupil educational expenditures from state and local sources. We have been informed that this report will tentatively be due to the state department in December 2009.
- Each recipient that receives ARRA funds from a Federal agency must submit a quarterly report to that agency that contains –
 - the total amount of recovery funds received from that agency;
 - the amount of recovery funds received that were expended or obligated to projects or activities;
 - a detailed list of all projects or activities for which recovery funds were expended or obligated; and
 - detailed information on any subcontracts or subgrants awarded by the recipient.

School districts **MUST** maintain a **separate** budget for this Title I funding source, as there are specific reporting requirements for the Title I ARRA funds. The USDE is finalizing guidance on the reporting requirements. We will share this information with you once it becomes available. Listed below are the CFDA numbers for each funding stream so that your business manager can record them separately.

- Federal Title I Funds CFDA – 84.010
- Title I ARRA Funds CFDA – 84.389A

Jerry Coleman, in the School Finance Office at DPI, has created a separate project code for reporting the Title I ARRA funds. A document, listing the accounting codes for the ARRA stimulus funds can now be accessed at <http://www.dpi.state.nd.us/finance/finance/2009-11%20project%20codes.pdf> on the department's website.

The President and Secretary are committed to ensuring that ARRA funds are spent with an unprecedented level of transparency and accountability. Therefore, each state and LEA that receives Title I ARRA funds must report on how those funds were spent at www.recovery.gov.

◆ **Budget Revisions**

- The Department of Public Instruction developed an electronic budget revision format that is linked to the electronic federal Title application budgets that school districts submit. This will help school districts submit budget revisions more efficiently and accurately. The application must be approved before budget revisions can be done.
- The department has created guidance/directions for completing a budget revision for federal Title programs. Log on to www.dpi.state.nd.us/resource/STARS/Reports/ConsolidatedBudgetRevision.pdf to access this document.
- All budget revisions must be submitted electronically on the STARS.
- School districts must submit a budget revision, and it must be approved by DPI staff before the revision is implemented by the district.
- Save often! There are "Save" buttons at the top and the bottom of the screen.
- You cannot do a budget revision until the ARRA application has been approved.
- Business managers must take the approved budget revisions they receive from the Title I office and change their ledger sheets to match the approved budget. Failure to do this will result in an audit exception, which could jeopardize your Title I reimbursement. School districts can amend federal program budgets by board approval during the school year (NDCC 57-15-31.1).
- If you submit a budget revision on the STARS, you must provide a description of why the revision is needed in Section B on the form. Many budget revisions are submitted to the state Title I office with this space blank, causing a delay in the approval process.

◆ **Carryover**

The grant period for the Title I ARRA funds is from the date the application is approved through September 30, 2010. At that time, districts will need to complete a Title I Final Financial Report and report the amount of Title I ARRA funds spent to date. These remaining funds will then be issued as carryover to districts to use from October 1, 2010 through September 30, 2011.

Title I ARRA funds are FY 2009 funds. Accordingly, their initial period of availability ends on September 30, 2010, and all unobligated Title I ARRA funds become carryover as of that date. Subject to the limitation described in C-17, an LEA may carry over any unobligated Title I ARRA funds to the fiscal year ending September 30, 2011.

An SEA may waive the 15% carryover limitation for an LEA once every three years if it determines that the LEA's request is reasonable and necessary.

The Secretary will consider waiving the provision in section 1127(b) of the ESEA prohibiting an SEA from granting a waiver of the carryover limitation more than once every three years.

◆ **General Title I Fiscal Policies**

- The dates of the reporting period of expenditures on the Request for Funds form should be the actual dates in which expenditures were incurred.
- School personnel should allow a two-week period to process all Title I Requests for Funds, Budget Revisions, and Mid-Year and Final Financial Reports. If there are problems that need to be addressed, a delay can be expected.
- The Title I authorized representative on file, along with the business manager, must sign all Title I financial documents.
- Indirect costs cannot be claimed for reimbursement until the end of the fiscal year. Indirect costs are only paid on actual expenditures minus any dollars spent on equipment and minus the amount of funds remaining on the unobligated line. Indirect costs are figured by adding the amounts listed in object codes 110 through 800 minus equipment object code 730.
- It is imperative that the ledger sheets kept at the school district's fiscal office match the approved budget on file in the state Title I office. Expenditures reported in column 2 on the Mid-Year and Final Financial Report must match the ledger sheets at the school district office. Expenditures listed on these reports must be reported on the appropriate object code lines.
- Business managers must take the approved budget revisions they receive from the Title I office and change their ledger sheets to match the approved budget. Failure to do this will result in an audit exception, which could jeopardize your Title I reimbursement. School districts can amend federal program budgets by board approval (NDCC 57-15-31.1).
- School districts can only provide educators with a stipend during non-work times; otherwise, it is considered double dipping. A stipend to attend after hour functions, to work on their own time, or attend events during weekends or summertime is appropriate. Schools cannot provide a stipend if staff is already being paid for their time, for example to attend the Title I Fall Conference.
- Title I funds are paid to school districts on a reimbursement basis.
- School districts cannot claim funds on a line item with no approved budget. If a school district submits a budget on the application with no funds in travel (line item 580) then decides to send a teacher to the Title I Fall Conference, they must submit a budget revision and put funds into the travel object code (580) before the travel to the conference takes place. If a budget revision is not submitted, you jeopardize not receiving reimbursement for these funds. You cannot claim funds on an object line that did not have funds approved.

- All expenditures must fall within the grant award period from the date of approval through September 30, 2010.

◆ **Additional Resources for Completing the Application**

The following resources are available on the department's website to help you complete the application.

- Help Screens – The department has developed consolidated application help screens to assist school personnel in completing the federal Title Programs Consolidated Application. To access this information, log on to the department's website at www.dpi.state.nd.us/resource/STARS/Reports/ConsolidatedApplication.pdf.
- Title I Contact List – Each year, the state Title I office divides the responsibility for assisting school personnel in entering information on the consolidated application to all program staff. Each staff member provides technical assistance to assigned schools. To find out the name of your district's Title I contact person, please visit the Title I website at www.dpi.state.nd.us/title1/Legislative/stimulus/conappcontact.pdf.
- Print-Ready Forms Available – When completing the consolidated application, assistance is often needed from the Title I teacher or, in the case of a cooperative agreement, the cooperative district needs to provide information on its program. The state Title I office has print-ready forms available for assistance in filling out the consolidated application. To access these documents, please visit the Title I website at www.dpi.state.nd.us/title1/conapp.shtm and refer to the section entitled "Additional Consolidated Application Worksheets for Title I".
- Other Helpful Documents – The department has many other helpful resource documents to provide guidance and answer program questions for you. These include:
 - ✓ Information on Title I Homeless Set-Asides and Addendums
www.dpi.state.nd.us/title1/homeless/require/index.shtm
 - ✓ Information on Title I N&D Set-Asides and Addendums
www.dpi.state.nd.us/title1/neglect/guidance.shtm
 - ✓ Targeting Process
www.dpi.state.nd.us/title1/require/index.shtm
 - ✓ Private School
www.dpi.state.nd.us/title1/nonpublic/index.shtm
 - ✓ Title I Cooperative Agreements
www.dpi.state.nd.us/title1/coopagree.shtm
 - ✓ Title I Fiscal Questions
www.dpi.state.nd.us/title1/resource/fiscal.shtm
 - ✓ Title I Teacher and Coordinator Credentials
www.dpi.state.nd.us/title1/credentials.shtm
 - ✓ Policies on Aides/Paraprofessionals
www.dpi.state.nd.us/title1/aides.shtm

Other Helpful Documents (continued)

- ✓ Title I Targeted Assistance Information
www.dpi.state.nd.us/title1/targeted/index.shtm
- ✓ Title I Schoolwide Information
www.dpi.state.nd.us/title1/schlwide/index.shtm
- ✓ Early Childhood Education
www.dpi.state.nd.us/title1/earlychild/index.shtm
- ✓ Title I Extended Day Programs
www.dpi.state.nd.us/title1/resource/aftrschl/index.shtm
- ✓ Title I Targeted Assistance Summer School Guidance
www.dpi.state.nd.us/title1/targeted/index.shtm
- ✓ Title I Targeted Assistance Extended-Day Guidance
www.dpi.state.nd.us/title1/targeted/index.shtm

◆ **Questions**

DPI Contacts for the ARRA Funding include:

- Title I ARRA Funds
Laurie Matzke, Director
lmatzke@nd.gov
(701) 328-2284
 - School Improvement ARRA Funds (1003G)
Laurie Matzke, Director
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(701) 328-2284
 - Homeless ARRA Funds
Tara Bitz, Program Administrator
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(701) 328-4646
 - Title II Part D ARRA Funds
Patricia Laubach, Standards & Achievement
plaubach@nd.gov
(701) 328-4525
 - IDEA ARRA Funds
Bob Rutten, Director
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- Brenda Oas, Assistant Director
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